FIREMEN'S ANNUITY AND BENEFIT FUND OF CHICAGO
(A FIDUCIARY FUND OF THE CITY OF CHICAGO, ILLINOIS)

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

FIREMEN'S ANNUITY AND BENEFIT FUND OF CHICAGO

FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION

DECEMBER 31, 2023 AND 2022

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LEGACY
PROFESSIONALS LLP
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees of
Firemen's Annuity and Benefit
Fund of Chicago

Opinion
We have audited the accompanying financial statements of Firemen's Annuity and Benefit Fund of Chicago (the Plan), a fiduciary fund of the City of Chicago, Illinois, which comprise the combining statements of pension plan fiduciary net position and health insurance supplement plan net position, and the related combining statements of changes in pension plan fiduciary net position and health insurance supplement plan net position as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net position of Firemen's Annuity and Benefit Fund of Chicago as of December 31, 2023 and 2022, and the changes in plan net position for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Plan, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

4 Westbrook Corporate Center | Suite 700 | Westchester, IL 60154 | 312-368-0500 | 312-368-0746 Fax | www.legacycpas.com

Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements; and
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 4e and the required supplementary information on pages 34 through 38 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Required Supplementary Information (continued)
We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's basic financial statements. The accompanying supplementary information on pages 39 through 41 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Matters
Previously Audited Information
The Plan's financial statements as of and for the year ended December 31, 2020 were audited by other auditors whose report dated June 29, 2021 expressed an unmodified opinion on those financial statements. We have previously audited the basic financial statements for the years ended December 31, 2021, 2019, 2018, 2017, 2016, 2015, and 2014 (which are not presented herein), and we expressed unmodified opinions on those financial statements. In our opinion, the information on page 41 is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

Legacy Professionals LLP

Westchester, Illinois

June 12, 2024

This section presents Management's Discussion and Analysis of the financial position and performance of the Firemen's Annuity and Benefit Fund of Chicago (the Plan) as of and for the year ended December 31, 2023 and 2022. This discussion is presented as an overview of the financial activities of the Plan and should be read in conjunction with the Plan's financial statements.

Overview of the Basic Financial Statements

The following discussion and analysis is intended to serve as an introduction to the Plan's basic financial statements. The financial statements are prepared on an economic sources focus and accrual basis of accounting in accordance with Governmental Accounting Standards Board (GASB) pronouncements. The basic components of the financial package are described below:

Combining Statements of Pension Plan Fiduciary Net Position and Health Insurance Supplement Plan Net Position provide a snapshot of account balances and net position held in trust for future benefit payments and any liabilities as of the Plan's year end. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Plan is improving or deteriorating.

Combining Statements of Changes in Pension Plan Fiduciary Net Position and Health Insurance Supplement Plan Net Position show the revenues (additions) and expenses (deductions) during the year, where additions less deductions equal net increase (decrease) in net position. The net increase (decrease) in net position reports the change in net position as reported in the Combining Statements of Changes in Pension Plan Fiduciary Net Position and Health Insurance Supplement Plan Net Position of the prior year and the current year.

Notes to the Financial Statements provides additional information that is essential to achieving a better understanding of the data provided in the basic financial statements.

Required Supplementary Information provides schedules and related notes concerning actuarial information, funding progress, employer contributions, and investment returns.

Supplementary Information includes schedules of administrative expenses, investment expenses, additions by source, and deductions by type.

Financial Highlights

Plan Net Position

The condensed Combining Statements of Pension Plan Fiduciary Net Position and Health Insurance Supplement Plan Net Position reflect the resources available to pay benefits to members. A summary of the Combining Statements of Pension Plan Fiduciary Net Position and Health Insurance Supplement Plan Net Position is as follows:

Plan Net Position
As of December 31,

	2023	2022	2021	Current Year Increase/(Decrease) in Dollars	Percent
Assets:					
Receivables	$ 441,320,788	$ 417,346,631	$ 390,869,685	$ 23,974,157	5.7 %
Prepaid expenses	236,600	234,326	161,085	2,274	1.0 %
Investments, at fair value	1,147,799,192	948,840,304	1,084,632,830	198,958,888	21.0 %
Collateral held for securities on loan	56,827,894	89,882,515	108,665,402	(33,054,621)	-36.8 %
Total assets	1,646,184,474	1,456,303,776	1,584,329,002	189,880,698	13.0 %
Liabilities:					
Payables	6,884,596	8,725,433	9,265,679	(1,840,837)	-21.1 %
Securities lending collateral	56,827,894	89,882,515	108,665,402	(33,054,621)	-36.8 %
Total liabilities	63,712,490	98,607,948	117,931,081	(34,895,458)	-35.4 %
Plan net position	$ 1,582,471,984	$ 1,357,695,828	$ 1,466,397,921	$ 224,776,156	16.6 %

Plan net position increased by $224,776,156 or 16.6% from $1,357,695,828 at December 31, 2022 to $1,582,471,984 at December 31, 2023. Comparatively, plan net position decreased by $(108,702,093) or -7.4% from $1,466,397,921 at December 31, 2021 to $1,357,695,828 at December 31, 2022.

The increase in plan net position for the year ended December 31, 2023 was primarily due to strong investment returns along with supplemental employer contributions from the City. Comparatively, the decrease in plan net position for the year ended December 31, 2022 was primarily due to a significant decrease in investment returns from the prior year. This decrease was offset by an increase in the receivable for employer contributions.

Changes in Plan Net Position

The Combining Statements of Changes in Pension Plan Fiduciary Net Position and Health Insurance Supplement Plan Net Position reflects the changes in the resources available to pay benefits to members. A summary of the Combining Statements of Changes in Pension Plan Fiduciary Net Position and Health Insurance Supplement Plan Net Position is as follows:

Changes in Plan Net Position
For the Years Ended December 31,

	2023	2022	2021	Current Year Increase/(Decrease) in Dollars	Percent
Additions:					
Employer contributions	$ 467,821,000	$ 399,860,000	$ 368,350,000	$ 67,961,000	17.0 %
Plan member contributions	52,456,647	53,030,821	52,268,136	(574,174)	-1.1 %
Net investment income (loss)	129,106,300	(155,875,914)	129,301,406	284,982,214	182.8 %
Net securities lending income	293,184	285,401	209,312	7,783	2.7 %
Other	131,504	5,623	7,711	125,881	2238.7 %
Total additions	649,808,635	297,305,931	550,136,565	352,502,704	118.6 %
Deductions:					
Benefits	416,179,406	398,049,793	385,067,130	18,129,613	4.6 %
Administrative expenses	3,583,521	3,390,041	3,082,062	193,480	5.7 %
Annuitant healthcare subsidy	723,080	650,401	868,386	72,679	11.2 %
Refunds of contributions	4,546,472	3,917,789	3,607,546	628,683	16.0 %
Total deductions	425,032,479	406,008,024	392,625,124	19,024,455	4.7 %
Net increase (decrease) in plan net position	$ 224,776,156	$ (108,702,093)	$ 157,511,441	$ 333,478,249	306.8 %

Additions to Plan Net Position

Total additions were $649,808,635 in 2023, $297,305,931 in 2022 and $550,136,565 in 2021.

Employer contributions increased by $67,961,000 or 17.0% from $399,860,000 for the year ended December 31, 2022 to $467,821,000 for the year ended December 31, 2023. Comparatively, employer contributions increased by $31,510,000 or 8.6% from $368,350,000 for the year ended December 31, 2021 to $399,860,000 for the year ended December 31, 2022. The increase in employer contributions for 2023 and 2022 was due to funding requirements under the Illinois Compiled Statutes where the City is required to make level percent of pay contributions for plan years 2020 through 2055 that, along with member contributions and investment earnings, are expected to generate a projected funded ratio of 90% by the end of the 2055 plan year. Further, the City paid an additional $38,720,000 in supplemental employer contributions during 2023.

Additions to Plan Net Position (continued)

Plan member contributions decreased by $574,174 or -1.1% from $53,030,821 for the year ended December 31, 2022 to $52,456,647 for the year ended December 31, 2023. Comparatively, plan member contributions increased by $762,685 or 1.5% from $52,268,136 for the year ended December 31, 2021 to $53,030,821 for the year ended December 31, 2022. Plan member contributions remained relatively flat for the years ended December 31, 2023 and 2022 as there were no significant changes in the contribution rate, the number of active participants, or average pensionable salary. Active participants were 4,712, 4,767 and 4,735 as of December 31, 2023, 2022 and 2021, respectively.

Net investment income increased by $284,982,214 or 182.8% from net investment (loss) of $(155,875,914) for the year ended December 31, 2022 to net investment income of $129,106,300 for the year ended December 31, 2023. Comparatively, net investment income (loss) decreased by $(285,177,320) or -220.6% from net investment income of $129,301,406 for the year ended December 31, 2021 to net investment (loss) of $(155,875,914) the year ended December 31, 2022. Investment earnings fluctuate primarily from the overall performance of the financial markets from year to year.

The Plan's realized return on investments for the year ended December 31, 2023 was 14.5% versus -14.2% for the year ended December 31, 2022 and 14.9% for the year ended December 31, 2021.

Portfolio Rate of Return
For the Years Ended December 31,

	2023	2022	2021
Domestic Equities	20.9%	-17.4%	22.1%
Benchmark	26.0%	-19.2%	25.7%
International Equities	23.4%	-17.8%	12.3%
Benchmark	15.6%	-16.6%	8.5%
Fixed income	6.7%	-11.6%	-0.5%
Benchmark	5.5%	-13.0%	-1.5%
Total Plan	14.5%	-14.2%	14.9%

Deductions to Plan Net Position

Total deductions were $425,032,479 in 2023, $406,008,024 in 2022 and $392,625,124 in 2021.

Benefits increased by $18,129,613 or 4.6% from $398,049,793 for the year ended December 31, 2022 to $416,179,406 for the year ended December 31, 2023. Comparatively, benefits increased by $12,982,663 or 3.4% from $385,067,130 for the year ended December 31, 2021 to $398,049,793 for the year ended December 31, 2022. In recent times, benefits have increased yearly due to several factors; active member contractual cost of living increases, an increase in the number of members in pay status and annual increases in annuitant payroll resulting from legislative requirements and changes.

Administrative expenses and refunds of contributions have all remained at relatively constant amounts over the last three years.

Actuarial Information

Pension Benefits

Under GASB Statement No. 67, *Financial Reporting for Pension Plans*, the Plan's funding for pension benefits is as follows:

Funding for Pension Benefits
For the Years Ended December 31,

	2023	2022	2021
Total pension liability	$ 7,318,750,192	$ 7,216,409,422	$ 7,004,905,578
Plan fiduciary net position	1,582,471,984	1,357,695,828	1,466,397,921
City's net pension liability	$ 5,736,278,208	$ 5,858,713,594	$ 5,538,507,657
Plan fiduciary net position as a percentage of the total pension liability	21.62%	18.81%	20.93%

Actuarial Information (continued)

Postemployment Healthcare Benefits

Under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, the Plan's funding for postemployment healthcare benefits is as follows:

Funding for Postemployment Healthcare Benefits
For the Years Ended December 31,

	2023	2022	2021
Total health insurance supplement liability	$ 8,992,151	$ 8,336,979	$ 9,155,590
Plan fiduciary net position	-	-	-
City's health insurance supplement	$ 8,992,151	$ 8,336,979	$ 9,155,590
Plan fiduciary net position as a percentage of the total health insurance supplement	0.00%	0.00%	0.00%

Contributions for postemployment healthcare benefits are made on a "pay-as-you-go" basis, resulting in a 0.00% funded ratio.

Contact Information

This financial report is designed to provide plan participants, retirees, beneficiaries, the employer and all other interested users with a complete, detailed, easy to understand financial portrait of the Plan at December 31, 2023. Comments, questions or concerns regarding this report or requests for additional information should be addressed to:

Kelly Weller, Executive Director
Firemen's Annuity and Benefit Fund of Chicago
20 S. Clark Street, Suite 1400
Chicago, IL 60603

Firemen's Annuity and Benefit Fund of Chicago

Combining Statements of Pension Plan Fiduciary Net Position and Health Insurance Supplement Plan Net Position

December 31, 2023 and 2022

	2023			2022		
	Total	Pension	Health Insurance Supplement	Total	Pension	Health Insurance Supplement
Assets						
Receivables						
Employer contributions - net	$ 429,536,421	$ 429,536,421	$ -	$ 404,376,390	$ 404,376,390	$ -
Investment income	4,174,445	4,174,445	-	3,572,964	3,572,964	-
Other	2,448,311	2,448,311	-	4,380,933	4,380,933	-
Securities lending	26,642	26,642	-	33,105	33,105	-
Unsettled trades	5,134,969	5,134,969	-	4,983,239	4,983,239	-
Total receivables	441,320,788	441,320,788	-	417,346,631	417,346,631	-
Prepaid expenses	236,600	236,600	-	234,326	234,326	-
Investments						
Cash deposits and short-term investments	126,745,552	126,745,552	-	64,461,762	64,461,762	-
Corporate bonds	106,428,204	106,428,204	-	99,469,642	99,469,642	-
Equities	630,131,126	630,131,126	-	529,259,712	529,259,712	-
Pooled funds	73,105,112	73,105,112	-	84,225,477	84,225,477	-
Limited partnerships	105,688,038	105,688,038	-	69,397,114	69,397,114	-
U.S. and Foreign Government obligations	105,701,160	105,701,160	-	102,026,597	102,026,597	-
Total investments	1,147,799,192	1,147,799,192	-	948,840,304	948,840,304	-
Collateral held for securities on loan	56,827,894	56,827,894	-	89,882,515	89,882,515	-
Total assets	1,646,184,474	1,646,184,474	-	1,456,303,776	1,456,303,776	-
Liabilities						
Accounts payable and accrued expenses	1,465,570	1,465,570	-	1,178,426	1,178,426	-
Participant accounts	361,856	361,856	-	426,550	426,550	-
Securities lending collateral	56,827,894	56,827,894	-	89,882,515	89,882,515	-
Securities lending	6,646	6,646	-	8,258	8,258	-
Unsettled trades	5,050,524	5,050,524	-	7,112,199	7,112,199	-
Total liabilities	63,712,490	63,712,490	-	98,607,948	98,607,948	-
Net position						
Net position restricted for pensions	1,582,471,984	1,582,471,984	-	1,357,695,828	1,357,695,828	-
Net position held in trust for health insurance supplement benefits	-	-	-	-	-	-
	$ 1,582,471,984	$ 1,582,471,984	$ -	$ 1,357,695,828	$ 1,357,695,828	$ -

See accompanying notes to financial statements.

FIREMEN'S ANNUITY AND BENEFIT FUND OF CHICAGO

COMBINING STATEMENTS OF CHANGES IN PENSION PLAN FIDUCIARY NET POSITION AND HEALTH INSURANCE SUPPLEMENT PLAN NET POSITION

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	Total	Pension	Health Insurance Supplement	Total	Pension	Health Insurance Supplement
ADDITIONS						
Contributions						
Employer contributions						
Statutory	$ 427,435,000	$ 426,711,920	$ 723,080	$ 398,194,000	$ 397,543,599	$ 650,401
Supplemental	38,720,000	38,720,000	-	-	-	-
Exempt rank funding	1,666,000	1,666,000	-	1,666,000	1,666,000	-
Total employer contributions	467,821,000	467,097,920	723,080	399,860,000	399,209,599	650,401
Plan member						
Annuities	52,314,937	52,314,937	-	52,888,400	52,888,400	-
Death benefits	141,710	141,710	-	142,421	142,421	-
Total plan member contributions	52,456,647	52,456,647	-	53,030,821	53,030,821	-
Investment income						
Net appreciation (depreciation) in fair value of investments	108,877,048	108,877,048	-	(176,650,618)	(176,650,618)	-
Interest	17,595,178	17,595,178	-	16,697,998	16,697,998	-
Dividends	12,247,274	12,247,274	-	12,263,657	12,263,657	-
	138,719,500	138,719,500	-	(147,688,963)	(147,688,963)	-
Less investment expenses	(9,613,200)	(9,613,200)	-	(8,186,951)	(8,186,951)	-
Net investment income (loss)	129,106,300	129,106,300	-	(155,875,914)	(155,875,914)	-
Securities lending						
Income	4,900,852	4,900,852	-	2,030,925	2,030,925	-
Borrower rebates	(4,510,227)	(4,510,227)	-	(1,650,734)	(1,650,734)	-
Management fees	(97,441)	(97,441)	-	(94,790)	(94,790)	-
Net securities lending income	293,184	293,184	-	285,401	285,401	-
Gift Fund donations	2,830	2,830	-	3,180	3,180	-
Miscellaneous income	4,201	4,201	-	1,970	1,970	-
Tax levy interest	124,473	124,473	-	473	473	-
Total additions	649,808,635	649,085,555	723,080	297,305,931	296,655,530	650,401

See accompanying notes to financial statements.

FIREMEN'S ANNUITY AND BENEFIT FUND OF CHICAGO

COMBINING STATEMENTS OF CHANGES IN PENSION PLAN FIDUCIARY NET POSITION AND HEALTH INSURANCE SUPPLEMENT PLAN NET POSITION

YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	Total	Pension	Health Insurance Supplement	Total	Pension	Health Insurance Supplement
DEDUCTIONS						
Benefits						
Age and service benefits						
Employees	$ 348,374,936	$ 348,374,936	$ -	$ 334,579,554	$ 334,579,554	$ -
Spouses	42,053,653	42,053,653	-	39,427,011	39,427,011	-
Dependents	1,017,788	1,017,788	-	984,797	984,797	-
Total age and service benefits	391,446,377	391,446,377	-	374,991,362	374,991,362	-
Disability benefits						
Duty	17,181,965	17,181,965	-	15,591,454	15,591,454	-
Occupational	6,031,443	6,031,443	-	5,970,988	5,970,988	-
Ordinary	436,325	436,325	-	509,826	509,826	-
Total disability benefits	23,649,733	23,649,733	-	22,072,268	22,072,268	-
Gift Fund payments	290,000	290,000	-	244,100	244,100	-
Death benefits	793,296	793,296	-	742,063	742,063	-
Total benefits	416,179,406	416,179,406	-	398,049,793	398,049,793	-
Administrative expenses	3,583,521	3,583,521	-	3,390,041	3,390,041	-
Annuitant healthcare subsidy	723,080	-	723,080	650,401	-	650,401
Refunds of contributions	4,546,472	4,546,472	-	3,917,789	3,917,789	-
Total deductions	425,032,479	424,309,399	723,080	406,008,024	405,357,623	650,401
NET INCREASE (DECREASE)	224,776,156	224,776,156	-	(108,702,093)	(108,702,093)	-
NET POSITION						
Beginning of year	1,357,695,828	1,357,695,828	-	1,466,397,921	1,466,397,921	-
End of year	$ 1,582,471,984	$ 1,582,471,984	$ -	$ 1,357,695,828	$ 1,357,695,828	$ -

See accompanying notes to financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity - Accounting principles generally accepted in the United States of America define a financial reporting entity as consisting of the primary government and its component units for which the primary government is financially accountable. Financial accountability includes appointing a voting majority of a component unit's governing board, the ability of a primary government to impose its will on the component unit, or a potential for a component unit to provide specific financial benefits to or impose specific financial burdens on the primary government. Firemen's Annuity and Benefit Fund of Chicago (the Plan) has determined that no other outside entity meets the above criteria and, therefore, no other entity has been included as a component unit in the Plan's financial statements.

Based on the above criteria, the Plan is considered to be a fiduciary fund of the City of Chicago, Illinois (the City) and is included in the City's financial statements.

Method of Accounting - The financial statements are presented using the accrual basis of accounting. Employer contributions are recognized as income pursuant to legal requirements as specified by the Illinois Compiled Statutes (the Statutes). Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Investments - Investments are reported at fair value, which generally represents reported market value as of the last business day of the year. Where less than an entire investment holding is sold, average value is used to determine realized gain or loss.

Capital Assets - The Plan has set a capitalization threshold of $100,000 for all capital asset types. As of December 31, 2023 and 2022, the Plan does not have any capital assets.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Subsequent Events - Subsequent events have been evaluated through June 12, 2024, which is the date the financial statements were available to be issued.

NOTE 2. PLAN DESCRIPTION

The Plan was established in 1931 and is governed by legislation contained in the Statutes, particularly 40 ILCS, Act 5, Article 6 (the Article), which specifically and exclusively refers to the Plan. The Plan can be amended only by the Illinois Legislature. The Plan is a single-employer defined benefit pension plan with a defined contribution minimum. The Plan was established for the purpose of providing retirement and disability benefits for employees of the City of Chicago employed under the provisions of the Municipal Personnel Ordinance as fire service and for the dependents of such employees.

The Statutes authorize a Board of Trustees (the Board) of eight members to carry out the provisions of the Article. According to the Article, four members of the Board are ex officio and four are elected by the employee members of the Plan. The four ex officio members are the City Treasurer, the City Clerk, the City Comptroller and the Deputy Fire Commissioner. All members of the Board of Trustees are fiduciaries with respect to the Plan and are statutorily mandated to discharge their duties, as such, solely in the interest of the Plan's participants and beneficiaries.

The Board has the powers and duties required in the Article to collect all contributions due to the Plan, to invest the Plan's reserves, to have an annual audit, to appoint employees, to authorize or suspend payment of any benefit and to have exclusive original jurisdiction in all matters relating to or affecting the Plan. The Board approves its own budget prepared by the Plan's administrative staff. The Board is required annually to submit to the City Council of the City of Chicago a detailed report of the financial affairs and status of the reserves of the Plan. Provisions in other articles of 40 ILCS require the Board to submit its annual audit and actuarial valuation reports to the State of Illinois Department of Insurance, as well as another detailed annual report, the form and content of which are specified by the Department of Insurance.

The Plan provides retirement benefits, as well as, death and disability benefits. Tier 1 employees who reach compulsory retirement age of 63, and members not subject to compulsory retirement who attain age 63, with at least 10 years of service and less than 20 years of service are entitled to receive an annuity of 30% of average salary for the first ten years of service plus an additional 2% for each year in excess of 10 years with partial City contributions to a maximum of 50%.

At age 50 or more with 10 or more but less than 20 years of service, a Tier 1 employee is entitled to an annuity of the entire sum accumulated for age and service annuity from deductions from salary, plus 1/10 of the sum accumulated from contributions by the City for each completed year of service after the first 10 years. Tier 1 benefits are for participants who first become a fireman or paramedic under this Article prior to January 1, 2011.

Tier 2 employees who have attained age 50 with at least 10 years of service are entitled to receive a tier 2 monthly annuity upon application. The tier 2 monthly annuity is equal to 2.5 of final average salary for each completed year of service, subject to an annuity reduction factor of ½ of 1% for each month that the fireman's age at retirement is under age 55. For tier 2 employees, the final average salary is based on 96 consecutive months within the last 120 months, capped at $106,800 indexed annually at the lesser of 3% or 50% of the Consumer Price Index (CPI-U). This annuity shall not exceed 75% of final average salary.

NOTE 2. PLAN DESCRIPTION (CONTINUED)

Tier 1 employees with at least 20 years of service are entitled to receive a minimum formula annuity upon attainment of age 50, of 50% of final average salary plus an additional amount equal to 2.5% of final average salary for each year of service or fraction thereof in excess of 20 years of service. For Tier 1 employees, final average salary is based on the highest average annual salary for any four consecutive years within the last ten years of service immediately preceding the date of retirement. This annuity shall not exceed 75% of the final average salary.

For Tier 1 employees, the monthly annuity is increased by 3% of the original annuity (simple). The increase begins the later of 1) the 1st of the month following the first anniversary of the date of retirement or 2) the 1st of the month after attainment of age 55 and each January 1st thereafter for life. For Tier 2 employees, the monthly annuity is increased by the lesser of 3% or ½ of the annual unadjusted percentage increase in the Consumer Price Index-U. The increase begins in January of the year of the first payment date following the later of the attainment of age 60 or the first anniversary of the annuity start date.

Participants should refer to the applicable State Statutes for more complete information.

Any employee of the City employed under the provisions of the Municipal Personnel Ordinance as fire service is covered by the Plan. At December 31, 2023 and 2022, participation in the Plan consisted of the following:

	2023	2022
Retirees and beneficiaries currently receiving benefits	5,369	5,300
Terminated plan participants entitled to but not yet receiving benefits	145	139
Active plan participants	4,712	4,767
Total participants	10,226	10,206

NOTE 3. EMPLOYER'S PENSION LIABILITY

Net Pension Liability

The components of the City's net pension liability of the Plan for the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Total pension liability	$ 7,318,750,192	$ 7,216,409,422
Plan fiduciary net position	1,582,471,984	1,357,695,828
City's net pension liability	$ 5,736,278,208	$ 5,858,713,594
Plan fiduciary net position as a percentage of the total pension liability	21.62%	18.81%

See the schedule of changes in the City's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Plan.

The actuarial assumptions used in the December 31, 2023 and 2022 valuations were based on the results of an actuarial experience study conducted for the period of January 1, 2017 through December 31, 2021, and were adopted and became effective December 31, 2022.

NOTE 3. EMPLOYER'S PENSION LIABILITY (CONTINUED)

Net Pension Liability (continued)

The net pension liabilities were determined by actuarial valuations performed as of December 31, 2023 and 2022 using the following actuarial methods and assumptions:

Actuarial valuation date	December 31, 2023 and 2022
Actuarial cost method	Entry-Age Normal
Asset valuation method	5 year smoothed fair value
Actuarial assumptions:	
Inflation	2.50% per year
Salary increases	3.50% to 25.00% per year, varying by years of service
Investment rate of return	6.75% per year, net of investment expense
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition last updated pursuant to an experience study of the period of January 2017 through December 31, 2021.
Post-retirement mortality	PubS-2010 Retiree Amount-weighted Mortality Table, using 119% of rates for males and 100% of rates for females, projected generationally using scale MP-2021.
Disabled mortality	PubS-2010 Disabled Retiree Amount-weighted Mortality Table projected generationally using scale MP-2021.
Beneficiary mortality	Pub-2010 Contingent Survivor Amount-weighted Mortality Table, using 100% of rates for males and 113% rates for females, projected generationally using scale MP-2021.
Pre-retirement mortality	PubS-2010 Employee Amount-weighted Mortality Table, projected generationally using scale MP-2021.
Postretirement annuity increases	Tier 1 participants - 3.0% simple interest. Tier 2 participants - the lesser of 3.0% or one half of the increase in the Consumer Price Index.

Discount Rate

A discount rate of 6.75% was used to measure the total pension liability at December 31, 2023. The discount rate was based on an expected rate of return on Plan investments of 6.75% and a municipal bond rate of 3.26%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made according to the contribution rate applicable for each member's tier and that employer contributions will be made as specified by Public Act 99-0506. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions and contributions from future plan members that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members throughout the projection period. Therefore, the long-term expected rate of return on Plan investments of 6.75% was applied to projected benefits for all periods. The municipal bond rate as of December 31, 2023 was based on the Bond Buyer 20-Bond Index of general obligation municipal bonds.

A discount rate of 6.75% was used to measure the total pension liability at December 31, 2022. The discount rate was based on an expected rate of return on Plan investments of 6.75% and a municipal bond rate of 3.72%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made according to the contribution rate applicable for each member's tier and that employer contributions will be made as specified by Public Act 99-0506. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions and contributions from future plan members that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members throughout the projection period. Therefore, the long-term expected rate of return on Plan investments of 6.75% was applied to projected benefits for all periods. The municipal bond rate as of December 31, 2022 was based on the Bond Buyer 20-Bond Index of general obligation municipal bonds.

NOTE 3. EMPLOYER'S PENSION LIABILITY (CONTINUED)

Discount Rate Sensitivity

The following is an analysis of the net pension liability's sensitivity to changes in the discount rate at December 31, 2023 and 2022. The following table presents the net pension liability of the City using the blended discount rate as well as the City's net pension liability calculated using a discount rate 1 percent lower and 1 percent higher than the current discount rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
City's Net Pension Liability - December 31, 2023	$ 6,590,124,651	$ 5,736,278,208	$ 5,019,232,453

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
City's Net Pension Liability - December 31, 2022	$ 6,706,055,824	$ 5,858,713,594	$ 5,147,009,168

NOTE 4. SUMMARY OF EMPLOYER FUNDING POLICIES

Covered employees are required to contribute 9.125% of their salary to the Plan. If an employee leaves covered employment without qualifying for an annuity, accumulated contributions are refunded with statutory interest.

The City, for its employer portion, is required by the Statutes to fund the Plan on an actuarial basis sufficient to produce a funding level of 90% by the year ended December 31, 2055. The City's yearly contribution is equal to no less than (1) the normal cost to the Plan, plus (2) an annual amount sufficient to bring the total assets of the Plan up to 90% of the total actuarial liabilities of the Plan by the end of fiscal year 2055, as annually updated and determined by an enrolled actuary employed by the Illinois Department of Insurance or by an enrolled actuary retained by the Plan or the City.

On May 12, 2023, an executive order was signed authorizing the City to assign $641,500,000 of projected fund balance to a Pension Advance Fund to cover advance pension payments to the City's four pension funds for the years ended December 31, 2023, 2024, 2025 and 2026. In January 2023, the City of Chicago, as a part of its Pension Management Policy, made a supplemental contribution of $38,720,000. In January 2024, the City of Chicago, as a part of its Pension Management Policy, made a supplemental contribution of $28,274,000. The advance contributions for the years ended December 2025 and 2026 has not yet been projected.

NOTE 5. RESERVES FOR ACTUARIAL LIABILITIES

The reserves for actuarial liabilities are based on an annual valuation submitted by the Plan's consulting actuary. The annual actuarial valuation establishes the reserves required for various statutory liabilities which arise from pension benefit schedules that are part of the current pension code legislation. The pension code legislation can be amended only by the Illinois Legislature.

The Prior Service Annuity Reserve is a reserve account for the accumulation of City contributions to provide for: a) employee and spouse annuities that are based on service performed before the Plan's effective date of July 1, 1931 and b) any excess in minimum annuity formula requirements over the amounts required for age and service annuities, and for spouse annuities.

The City Contribution Reserve is used to accumulate amounts contributed by the City to provide for annuities based on age and service of each employee and spouse. An individual account is maintained for each employee and spouse until the employee retires, at which time the individual account balances are transferred to the Annuity Payment Reserve.

The Annuity Payment Reserve receives the amounts transferred from the individual accounts in the City Contribution Reserve and the Salary Deduction Reserve when an employee retires and qualifies for an annuity. All age and service annuity payments are charged to this reserve.

The Salary Deduction Reserve is similarly used to accumulate deductions made from employee salaries for age and service annuities for the employee and spouse. Individual accounts are maintained until the employee retires or withdraws from service before qualifying for an annuity. At retirement, account balances are transferred to the Annuity Payment Reserve. If an eligible employee elects to take a refund of contributions instead of an annuity, the contribution refund is charged to this reserve.

The Death Benefit Reserve accumulates contributions from employees and the City for ordinary death benefits. All ordinary death benefits paid are charged to this reserve.

The Ordinary Disability Reserve accumulates contributions from employees and the City for ordinary disability benefits. All ordinary disability benefits paid are charged to this reserve.

The Supplementary Payment Reserve accumulates amounts to provide automatic annual postretirement increases to employee annuitants who retired before September 1, 1959 and amounts in excess of the original annuity grant due to increases in the minimum annuity.

The Gift Reserve accumulates donations to be used to provide an extra benefit to widowed spouse annuitants and orphaned child annuitants.

The Reserve (deficit) represents the difference between the actuarially determined present value of all future pension payments and the value of the Plan's present assets plus the present value of future contributions. A deficit indicates that additional assets will be needed to provide for future benefits, while a surplus indicates that present assets and future contributions exceed the expected requirements for future pension payments.

NOTE 5. RESERVES FOR ACTUARIAL LIABILITIES (CONTINUED)

Net position restricted for pensions as of December 31, 2023 and 2022 were comprised of the following reserve surplus (deficit) balances:

	2023	2022
Prior Service Annuity Reserve	$ 3,142,908,004	$ 3,150,648,177
City Contribution Reserve	859,391,879	842,453,990
Annuity Payment Reserve	1,539,685,575	1,421,572,092
Salary Deduction Reserve	708,736,465	694,784,583
Death Benefit Reserve (deficit)	(26,631,274)	(25,264,009)
Ordinary Disability Reserve	541,360	555,527
Supplementary Payment Reserve (deficit)	(394,594)	(303,988)
Gift Reserve	20,685,870	17,570,124
Reserve (deficit)	(4,662,451,301)	(4,744,320,668)
Total fiduciary net position for pension benefits	$ 1,582,471,984	$ 1,357,695,828

NOTE 6. INVESTMENTS

Investment Policies

The Board of Trustees is responsible for establishing reasonable and consistent investment objectives, policies and guidelines governing the investment of Plan assets in accordance with the Statutes. The Plan is authorized to invest in bonds, notes, certificates of indebtedness, mortgage notes, real estate, stocks, shares, debentures, or other obligations or securities as set forth in the "prudent person" provisions of the Statutes. All of the Plan's financial instruments are consistent with the permissible investments outlined in the Statutes and any index-linked financial instruments are limited to those indices that replicate the permissible investments outlined in the Statutes. During the years ended December 31, 2023 and 2022, there were no significant changes to the investment policies.

NOTE 6. INVESTMENTS (CONTINUED)

Long-Term Expected Rate of Return

The Plan's investment policies in accordance with the Statutes establish the following target allocation across asset classes:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equity	57.00%	7.7%
Fixed income	22.00%	5.5%
Other investments	21.00%	6.8%
Total	100.00%	

The long-term expected real rate of return on the Plan's investments was determined using an asset allocation study conducted by the Plan's investment management consultant in which best estimate ranges of expected future real rates of return (net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Plan's target asset allocation are listed in the preceding table.

Annual Money-Weighted Rate of Return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.91% and -14.66% for the years ended December 31, 2023 and 2022, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. U.S. Government obligations or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk and do not require disclosure of credit quality. The Plan establishes minimum investment rating guidelines for each investment manager based on their area of concentration and level of allowable risk. The following table presents a summarization at December 31, 2023 and 2022 of the lowest credit quality rating of investments in corporate bonds, foreign government obligations, short-term investments, and fixed income mutual funds as valued by Moody's Investors Service and/or Standard & Poor's, as applicable.

NOTE 6. INVESTMENTS (CONTINUED)

Credit Risk (continued)

Type of Investment	Rating	2023	2022
Cash deposits and short-term investments	Not Rated	$ 126,745,552	$ 64,461,762
Corporate bonds	Aaa/AAA	$ 11,380,064	$ 11,648,313
	Aa/AA	2,262,203	3,729,705
	A/A	18,944,770	15,558,329
	Baa/BBB	38,520,819	34,869,581
	Ba/BB	13,453,151	12,575,116
	B/B	5,754,127	4,478,499
	Caa/CCC	2,380,025	2,033,965
	C/C	86,830	193,914
	Not Rated	11,229,084	12,413,004
	U.S. Government Guaranteed	2,417,131	1,969,216
		$ 106,428,204	$ 99,469,642
Pooled funds - fixed income	Not Rated	$ 31,632,799	$ 35,021,119
U.S. and Foreign Government obligations	Aaa/AAA	$ 50,280,172	$ 60,677,392
	Aa/AA	3,370,405	2,198,296
	A/A	116,004	437,292
	Baa/BBB	3,163,270	2,386,910
	Ba/BB	846,827	126,578
	B/B	156,572	149,456
	Caa/CCC	49,624	76,797
	Ca/CC	63,006	40,092
	Not Rated	1,071,248	1,359,146
	U.S. Government Guaranteed	46,584,032	34,574,638
		$ 105,701,160	$ 102,026,597

NOTE 6. INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. Investments are diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity period, a single issuer, or an individual class of securities. The Plan requires investment managers to display an overall level of interest rate risk that is consistent with the benchmark specified by the Plan. The following table presents a summarization of debt investments at December 31, 2023 and 2022 using the segmented time distribution method:

Type of Investment	Maturity	2023	2022
Cash deposits and short-term investments	Less than 1 year	$ 126,745,552	$ 64,461,762
Corporate bonds	Less than 1 year	$ 4,172,798	$ 2,941,094
	1-6 years	46,154,058	50,360,159
	6-10 years	21,581,126	18,084,271
	Over 10 years	34,520,222	28,084,118
		$ 106,428,204	$ 99,469,642
Pooled funds - fixed income	Less than 1 year	$ 1,327,310	$ 2,701,082
	1-6 years	19,072,459	21,619,955
	6-10 years	11,233,030	10,700,082
		$ 31,632,799	$ 35,021,119
U.S. and Foreign Government obligations	Less than 1 year	$ 7,148,402	$ 10,123,019
	1-6 years	33,319,853	40,183,701
	6-10 years	21,471,897	17,313,000
	Over 10 years	43,761,008	34,406,877
		$ 105,701,160	$ 102,026,597

NOTE 6. INVESTMENTS (CONTINUED)

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Plan requires investment managers to invest in at least ten countries if investing in foreign obligations and/or equities. The Plan's exposure to foreign currency risk at December 31, 2023 and 2022 is as follows:

Type of Investment	Fair Value (USD) 2023	Fair Value (USD) 2022
Corporate bonds:		
European euro	$ 233,137	$ -
U.S. dollar	106,195,067	99,469,642
	$ 106,428,204	$ 99,469,642
U.S. and Foreign Government obligations:		
Argentine peso	$ -	$ 28,524
Brazilian real	425,571	-
Chinese yuan renminbi	-	73,536
Indian rupee	306,963	-
Indonesian rupiah	537,659	603,432
Mexican peso	1,911,186	1,413,910
Russian ruble	-	247,711
South African rand	278,559	-
Uruguayan peso uruguayo	31,404	-
U.S. dollar	102,209,818	99,659,484
	$ 105,701,160	$ 102,026,597

NOTE 6. INVESTMENTS (CONTINUED)

Foreign Currency Risk (continued)

Type of Investment	Fair Value (USD) 2023	Fair Value (USD) 2022
Equities:		
Australian dollar	$ 5,710,493	$ 4,449,286
Brazilian real	7,588,043	5,260,910
British pound	27,648,848	21,901,542
Canadian dollar	7,263,651	7,269,128
Chilean peso	838,760	759,656
Chinese yuan renminbi	363,593	843,299
Colombian peso	166,257	-
Danish krone	2,653,645	3,501,044
Egyptian pound	431,590	408,261
European euro	57,556,405	45,883,364
Hong Kong dollar	18,790,255	19,240,490
Hungarian forint	511,026	385,241
Indian rupee	12,949,600	9,836,808
Indonesian rupiah	2,016,334	1,985,565
Japanese yen	25,411,702	19,418,274
Kuwaiti dinar	209,235	130,609
Malaysian ringgit	882,133	724,116
Mexican peso	3,823,999	3,051,016
New Israeli shekel	-	103,716
New Taiwan dollar	11,717,033	8,639,771
New Zealand dollar	-	514,969
Norwegian krone	206,963	456,309
Philippines peso	145,598	140,163
Polish zloty	1,085,499	793,902
Qatari riyal	682,155	579,734
Russian ruble	2,179,540	1,703,879
Singapore dollar	2,010,883	2,035,233
South African rand	2,276,697	2,026,980
South Korean won	13,247,913	9,869,277
Swedish krona	5,717,625	3,490,100
Swiss franc	8,895,821	10,166,047
Thailand baht	642,660	841,318
Turkish lira	594,943	612,016
United Arab Emirates dirham	1,211,799	723,603
U.S. dollar	404,700,428	341,514,086
	$ 630,131,126	$ 529,259,712

NOTE 6. INVESTMENTS (CONTINUED)

Additional Investment Disclosures

During 2023 and 2022, net realized gain on investments sold, reflecting the difference between the proceeds received and cost value of securities sold, was $10,232,411 and $6,427,452 respectively. These amounts are included in the net appreciation (depreciation) in fair value of investments as reported on the statements of changes in pension plan fiduciary net position. The calculation of realized gains and losses is independent of the calculation of net appreciation (depreciation) in the fair value of plan investments. Investments purchased in a previous year and sold in the current year result in their realized gains and losses being reported in the current year and their net appreciation in plan assets being reported in both the current year and the previous year(s).

The Plan does not isolate that portion of net appreciation (depreciation) in fair value of investments resulting from changes in the foreign exchange rate on investments from fluctuations arising from changes in the market prices of the securities. Such fluctuations are included with net appreciation (depreciation) in fair value of investments. Net realized gains and (losses) on foreign currency transactions represent net exchange gains or losses on closed foreign currency contracts, disposition of foreign currencies, and the difference between the amount of investment income and foreign withholding taxes recorded on the Plan's books and the U.S. dollar equivalent amounts actually received or paid. Net unrealized gains and (losses) on foreign currency transactions arise from changes in the value of open foreign currency contracts and assets and liabilities other than investments at the year end, resulting from changes in the exchange rate.

NOTE 7. FAIR VALUE MEASUREMENTS

GASB Statement No. 72, *Fair Value Measurement and Application*, established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

<u>Basis of Fair Value Measurement</u>

Level 1	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities
Level 2	Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly
Level 3	Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable

NOTE 7. FAIR VALUE MEASUREMENTS (CONTINUED)

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of December 31, 2023 and 2022:

		Fair Value Measurements at 12/31/2023 Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Cash deposits and short-term investments	$ 111,509,462	$ 111,509,462	$ -	$ -
Corporate bonds	106,428,204	-	106,428,204	-
Equities	630,131,126	630,131,126	-	-
Pooled funds	17,530,461	17,530,461	-	-
U.S. and Foreign Government obligations	105,701,160	3,147,910	102,553,250	-
	971,300,413	$ 762,318,959	$ 208,981,454	$ -
Investments measured at net asset value	176,498,779			
Total investments at fair value	$1,147,799,192			

		Fair Value Measurements at 12/31/2022 Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Cash deposits and short-term investments	$ 51,861,000	$ 51,861,000	$ -	$ -
Corporate bonds	99,469,642	-	99,469,642	-
Equities	529,259,712	529,259,712	-	-
Pooled funds	28,856,824	28,856,824	-	-
U.S. and Foreign Government obligations	102,026,597	1,476,282	100,550,315	-
	811,473,775	$ 611,453,818	$ 200,019,957	$ -
Investments measured at net asset value	137,366,529			
Total investments at fair value	$ 948,840,304			

NOTE 7. FAIR VALUE MEASUREMENTS (CONTINUED)

Level 1 Measurements

Cash deposits, equities, pooled funds, and U.S. Treasury securities are traded in active markets on national and international securities exchanges and are valued at closing prices on the measurement date.

Level 2 Measurements

Corporate bonds and U.S. Government and Foreign Government obligations are generally valued by benchmarking model-derived prices to quoted market prices and trade data for identical or comparable securities. To the extent that quoted prices are not available, fair value is determined based on a valuation model that include inputs such as interest rate yield curves and credit spreads. Securities traded in markets that are not considered active are valued based on quoted market prices, broker to dealer quotations, or alternative pricing sources with reasonable levels of price transparency. Securities that trade infrequently and therefore have little or no price transparency are valued using the investment manager's best estimates.

The valuation methods for investments measured at net asset value (NAV) are presented on the following table:

	Fair Value		Unfunded	Redemption Frequency	Redemption Notice
	12/31/2023	12/31/2022	Commitments	(If Eligible)	Period
Investments measured at net asset value:					
Short-term investment fund (1)	$ 15,236,090	$ 12,600,762	$ -	Daily	N/A
Pooled funds (2)					
Equity	29,766,315	26,165,910	-	Daily, Monthly	N/A, 10 Days
Fixed income	14,120,153	16,083,566	-	Daily	N/A
Real estate	11,688,183	13,119,177	-	Pro Rata Basis	N/A
Limited partnerships (3)	105,688,038	69,397,114	50,689,998	Closed-end / Quarterly	N/A, 45 Days
Total	$176,498,779	$137,366,529			

(1) Short-term investment fund - This investment's objective is to invest in short-term investments of high quality and low risk to protect capital while achieving investment returns. The fair value of the investment in the fund has been determined using the NAV per share of the investment.

(2) Pooled funds - This investment is made up of an equity fund, three fixed income funds, and a commingled real estate account all with an investment objective to maximize the total return. The fair value of the investments in this type has been determined using the NAV per share of the investments.

NOTE 7. FAIR VALUE MEASUREMENTS (CONTINUED)

(3) Limited partnerships - This investment consists of sixteen limited partnership investments with an investment objective to achieve long-term capital appreciation, preserve capital, and achieve a consistent pattern of returns through investments in limited partnerships, privately issued securities, private equity funds, other pooled investments, and real estate funds. Thirteen of the sixteen limited partnership investments are closed-end where the partnership interests are generally illiquid and cannot be redeemed. It is expected that the liquidation of the limited partnership interests will generally coincide with the terms of the various partnership agreements. The limited partnership termination dates range from October 22, 2017 to December 26, 2034 but may be terminated earlier or extended later as set forth in the terms of the applicable partnership agreement. Three of the sixteen partnerships is open-ended with an infinite life, unless the general partner determines otherwise. The fair value of the investments in this type has been determined using the NAV per share (or its equivalent) of the investments.

NOTE 8. SECURITIES LENDING

The Statutes and the Board of Trustees permit the Plan to lend its securities to broker-dealers and other entities with a simultaneous agreement to return collateral for the same securities in the future. The Plan's custodian, acting as the lending agent, lends securities for collateral in the form of cash, U.S. Government obligations and irrevocable letters of credit equal to 102% of the fair value of domestic securities plus accrued interest and 105% of the fair value of foreign securities plus accrued interest. The Plan is not restricted as to the type or amount of securities it may loan. The Plan does not have the right to sell or pledge securities received as collateral unless the borrower defaults.

The average term of securities loaned was 65 days in 2023 and 50 days in 2022; however, any loan may be terminated on demand by either the Plan or the borrower. Cash collateral may be invested in a short-term investment pool, which had an average weighted maturity at December 31, 2023 and 2022 of 24 and 15 days, respectively. Cash collateral may also be invested in term loans in which the investments (term loans) match the term of the securities loaned.

As of December 31, 2023 and 2022, the fair value (carrying amount) of loaned securities was $55,152,015 and $87,460,892 respectively. As of December 31, 2023 and 2022, the fair value (carrying amount) of cash collateral received by the Plan was $56,827,894 and $89,882,515 respectively. The cash collateral is included as an asset and a corresponding liability on the statements of plan net position.

Although the Plan's securities lending activities are collateralized as described above, they involve both market and credit risk. In this context, market risk refers to the possibility that the borrower of securities will be unable to collateralize the loan upon a sudden material change in the fair value of the loaned securities. Credit risk refers to the possibility that counterparties involved in the securities lending program may fail to perform in accordance with the terms of their contracts.

NOTE 8. SECURITIES LENDING (CONTINUED)

Indemnification deals with the situation in which a client's securities are not returned due to the insolvency of a borrower. The contract with the lending agent requires it to indemnify the Plan if borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the Plan for income distributions by the issuers of securities while the securities are on loan.

There were no losses due to default of a borrower or the lending agent during the years ended December 31, 2023 and 2022.

A summary of securities loaned at fair value as of December 31:

	2023	2022
Corporate bonds	$ 25,257,132	$ 21,414,908
Equities	28,406,327	63,692,519
U.S. and Foreign Government obligations	1,488,556	2,353,465
Total	$ 55,152,015	$ 87,460,892

NOTE 9. DERIVATIVES

The Plan invests in derivative financial instruments as provided by the Plan's statement of investment policy. The Plan uses derivative financial instruments to gain exposure to an asset class or manage portfolio risk. A derivative security is a financial contract whose value is based on, or "derived" from, a traditional security, an asset, or a market index. Derivative instruments include options, forward contracts, swaps, and futures as part of the Plan's portfolio. Derivative transactions involve, to varying degrees, credit risk, interest rate risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to the previously agreed upon terms. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Market risk is the possibility that a change in interest or currency rates will cause the value of a financial instrument to decrease or become more costly to settle.

NOTE 9. DERIVATIVES (CONTINUED)

The Plan's portfolio includes the following derivative instruments at December 31, 2023 and 2022:

	2023		2022	
Derivative	Notional Value	Fair Value	Notional Value	Fair Value
Options	$ 3,102,369	$ 106,406	$ (3,076,391)	$ 7,050
Futures purchase commitments	49,373,055	-	46,802,563	-
Futures sales commitments	(49,373,055)	-	(46,802,563)	-
Swap assets	6,395,824	383,050	1,558,318	1,024,261
Swap liabilities	(11,157,728)	(99,390)	(434,148)	(105,721)
Total	$ (1,659,535)	$ 390,066	$ (1,952,221)	$ 925,590

The Plan uses options to reduce the risk of holding an asset. An option is a contract that conveys the right, but not the obligation, to buy (call) or sell (put) an item at an agreed upon price during a certain period of time or on a specific date. For the year ended December 31, 2023, the options expire approximately one to eleven months after year end. For the year ended December 31, 2022, the options expire approximately one to two months after year end.

Futures contracts are used to provide exposure to an asset class using uninvested cash. These contracts are a legally binding agreement, made on the trading floor of a futures exchange, to buy or sell a commodity or financial instrument sometime in the future. Futures contracts have little credit risk, as organized exchanges are the guarantors. For the year ended December 31, 2023, the futures contracts mature from three months to twenty-six months after year end. For the year ended December 31, 2022, the futures contracts mature from three months to three years after year end.

Swaps are used by the Plan to hedge certain risks such as interest rate risk, or to speculate on changes in the underlying price of an asset. Traditionally, a swap is the exchange of one security for another to change the maturity, quality, structure of an issue, or because investment objectives have changed. For the year ended December 31, 2023, the swaps have maturity dates ranging from January 2024 through May 2048. For the year ended December 31, 2022, the swaps have maturity dates ranging from September 2024 through April 2052.

The Plan's derivative instruments are reported at fair value in equity investments on the statements of pension plan fiduciary net position. The gain or loss on derivative instruments is reported as part of investment income on the statements of changes in pension plan fiduciary net position.

NOTE 10. HEALTH INSURANCE SUPPLEMENT PLAN

Plan Description

Public Act 98-0043, effective June 28, 2013, initially terminated the health insurance supplement to be paid by the Plan after December 31, 2016. During the year ended December 31, 2019, the Circuit Court ordered that all eligible City of Chicago employee annuitants of the Plan are entitled to receive a health insurance premium subsidy for each month after December 31, 2016 in which they meet the eligibility requirements.

Eligible City of Chicago employee annuitants (both current and future employee annuitants, but not spousal or child annuitants) of the Plan are entitled to receive a health insurance premium subsidy of $55 per month from the Plan if the annuitant is not qualified to receive Medicare benefits or $21 per month from the Plan if the annuitant is qualified to receive Medicare benefits, representing a partial reimbursement for healthcare costs. The remaining costs for healthcare are borne by the City and the annuitant.

To be eligible for the health insurance premium subsidy, the annuitant must have retired on or after August 23, 1989; the annuitant must have been hired prior to July 1, 2003; and the annuitant must have either, (a) participated in a group healthcare plan for which the Plan offers to deduct health insurance premiums from monthly annuities in accordance with the 1983 and 1985 amendments to the Illinois Pension Code Statutes (currently either the Blue Cross/Blue Shield plans sponsored by the City of Chicago or the Aetna plans sponsored by Local 2), or (b) for the period between January 1, 2017 and December 31, 2019, participated in any health insurance plan and paid their healthcare insurance coverage themselves, either through an account on which the annuitant is named or an account established for the benefit of the annuitant.

At December 31, 2023 and 2022, participants potentially eligible for the health insurance supplement consisted of the following:

	2023	2022
Active members	1,256	1,421
Inactive plan members or beneficiaries currently receiving benefits	1,929	1,772
Inactive plan members entitled to but not yet receiving benefit payments	14	11
Total participants	3,199	3,204

Benefits Provided - The Plan pays a health insurance premium subsidy of $55 per month if the annuitant is not qualified to receive Medicare benefits or $21 per month if the annuitant is qualified to receive Medicare benefits.

Contributions - The Plan pays the health insurance premium subsidies on a "pay-as-you-go" basis through an allocation of Employer contributions from the City of Chicago.

Method of Accounting - The health insurance supplement plan's financial statements have been combined with the Plan's financial statements and are presented using the accrual basis of accounting.

Net Health Insurance Supplement Liability

The components of the city's net health insurance supplement liability for the year ended December 31, 2023 and 2022 are as follows:

	2023	2022
Total health insurance supplement liability	$ 8,992,151	$ 8,336,979
Plan fiduciary net position	-	-
City's net health insurance supplement liability	$ 8,992,151	$ 8,336,979
Plan fiduciary net position as a percentage of the total health insurance supplement liability	0.00%	0.00%

Contributions for health insurance premium subsidies are made on a "pay-as-you-go" basis. There are no dedicated assets for health insurance premiums subsidies resulting in a 0.00% funded ratio.

See the schedule of changes in the city's net health insurance supplement liability and related ratios in the required supplementary information for additional information related to the funded status of the health insurance supplement plan.

NOTE 10. HEALTH INSURANCE SUPPLEMENT PLAN (CONTINUED)

The net health insurance supplement liability was determined by an actuarial valuation performed as of December 31, 2023 and 2022 using the following actuarial methods and assumptions:

Discount rate	2023 - 3.26% 2022 - 3.72%
Election percentage	20% of pre-Medicare eligible retirees and 60% of post-Medicare eligible retirees are assumed to receive the supplement.
Mortality	Post-retirement mortality rates for non-disabled pensioners were based on the PubS-2010 Retiree Amount-weighted Mortality tables, using 119% of rates for males and 100% of rates for females and projected generationally using scale MP-2021. Post-retirement mortality rates for disabled pensioners were based on the PubS-2010 Disabled Annuitant Amount-weighted Mortality Table and projected generationally using scale MP-2021. Pre-retirement mortality rates were based on the PubS-2010 Employee Amount-weighted Mortality Table and projected generationally using scale MP-2021.

The actuarial assumptions used in the December 31, 2023 and 2022 valuations were based on the results of an actuarial experience study conducted for the period of January 1, 2017 through December 31, 2021, and were adopted and became effective December 31, 2022.

Discount Rate

As there are no assets dedicated to the health insurance supplement plan, the discount rates used to measure the total health insurance supplement liability were 3.26% as of December 31, 2023 and 3.72% as of December 31, 2022 based on the Bond Buyer 20-Bond Index of general obligation municipal bonds.

NOTE 10. HEALTH INSURANCE SUPPLEMENT PLAN (CONTINUED)

Sensitivity of the Net Health Insurance Supplement Liability to Changes in the Discount Rate

The following is an analysis of the net health insurance supplement liability's sensitivity to changes in the discount rate at December 31, 2023 and 2022. The following table presents the net health insurance supplement liability of the employer using the current discount rate as well as the employer's net health insurance supplement liability calculated using a discount rate 1 percent lower and 1 percent higher than the current discount rate:

	1% Decrease 2.26%	Current Discount Rate 3.26%	1% Increase 4.26%
City's Net Health Insurance Supplement Liability - December 31, 2023	$ 9,890,692	$ 8,992,151	$ 8,228,834

	1% Decrease 2.72%	Current Discount Rate 3.72%	1% Increase 4.72%
City's Net Health Insurance Supplement Liability - December 31, 2022	$ 9,151,080	$ 8,336,979	$ 7,643,125

NOTE 11. EMPLOYER CONTRIBUTIONS RECEIVABLE - NET

Employer contributions due and not paid prior to year-end are recorded as contributions receivable and are reserved for uncertain collections. The allowance for uncollectible accounts is based on the likelihood of future collections. Employer contributions receivable at December 31, 2023 and 2022 consist of the following:

	2023	2022
Employer contributions receivable	$ 429,536,421	$ 404,376,390
Less allowance for uncollectible accounts	-	-
Total	$ 429,536,421	$ 404,376,390

NOTE 12. DEFERRED COMPENSATION PLAN

The Plan offers its employees a deferred compensation plan established in accordance with Internal Revenue Code Section 457. The deferred compensation plan, which is funded through employee contributions, is available to all Plan employees and permits them to defer a portion of their salary until future years. Participation in the deferred compensation plan is optional. The deferred compensation is managed by a third party administrator. The assets of the deferred compensation plan are placed in trust with the third party for the exclusive benefit of the participants and their beneficiaries and are not considered assets of the Plan.

NOTE 13. RELATED PARTY TRANSACTIONS

The Plan has allowed the Ende, Menzer, Walsh & Quinn Retirees', Widows' and Children's Assistance Fund (the Corporation) to utilize its facilities and equipment to accommodate the once a year distribution to widows and orphans in December at no additional expense to the Plan. This distribution by the Corporation, to the widows and orphans, had been handled by the Plan.

Three of the Plan's Trustees are also directors of the Corporation.

During both of the years ended December 31, 2023 and 2022, the Plan contributed to the Corporation from the balances in the gift reserve account as allowed under the discretionary authority granted by 40ILCS Act 5, Article 6-202 to render financial assistance to qualified widows and children annuitants of the participants of the Plan.

NOTE 14. PRONOUNCEMENTS ISSUED NOT YET EFFECTIVE

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. Certain provisions of Statement No. 99 are effective for the Plan's fiscal years ending December 31, 2023 and 2024.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections. Statement No. 100 is effective for the Plan's fiscal year ending December 31, 2024.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Statement No. 101 is effective for the Plan's fiscal year ending December 31, 2024.

NOTE 14. PRONOUNCEMENTS ISSUED NOT YET EFFECTIVE (CONTINUED)

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. Statement No. 102 is effective for the Plan's fiscal year ending December 31, 2025.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Statement No. 103 is effective for the Plan's fiscal year ending December 31, 2026.

The Plan's management has not yet determined the effect, if any these Statements will have on the Plan's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION - PENSION

Firemen's Annuity and Benefit Fund of Chicago

Required Supplementary Information - Pension

Schedule of Changes in the City's Net Pension Liability and Related Ratios

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost including pension plan administrative expense	$ 123,735,266	$ 115,307,255	$ 115,812,400	$ 112,478,105	$ 105,367,286	$ 97,143,246	$ 93,366,729	$ 94,115,473	$ 87,203,153	$ 83,095,601
Interest on the total pension liability	481,018,380	466,819,133	429,630,005	410,128,090	408,586,099	410,821,674	371,622,080	342,084,603	338,986,636	329,965,941
Benefit changes	4,964,323	11,737,121	196,531,562	-	-	-	-	227,212,695	-	-
Difference between expected and actual experience	(83,067,800)	(30,666,655)	93,928,230	174,717,534	(65,213,748)	(56,417,879)	26,954,338	24,110,158	(7,980,712)	-
Assumption changes	-	53,664,613	(340,370,762)	30,468,135	190,954,465	382,610,753	414,218,762	(74,372,930)	176,281,502	88,448,895
Benefit payments	(416,179,406)	(398,049,793)	(385,067,130)	(362,831,685)	(342,884,926)	(320,595,085)	(302,518,486)	(283,085,767)	(274,459,754)	(261,571,672)
Refunds	(4,546,472)	(3,917,789)	(3,607,546)	(3,328,719)	(3,452,913)	(4,067,219)	(3,579,629)	(3,673,250)	(3,557,317)	(2,321,666)
Pension plan administrative expense	(3,583,521)	(3,390,041)	(3,082,062)	(2,991,289)	(3,225,938)	(3,285,110)	(3,171,986)	(3,216,823)	(3,149,549)	(3,069,192)
Net change in total pension liability	102,340,770	211,503,844	103,774,697	358,640,171	290,130,325	506,210,380	596,891,808	323,174,159	313,323,959	234,547,907
Total pension liability										
Beginning of year	7,216,409,422	7,004,905,578	6,901,130,881	6,542,490,710	6,252,360,385	5,746,150,005	5,149,258,197	4,826,084,038	4,512,760,079	4,278,212,172
End of year	$ 7,318,750,192	$ 7,216,409,422	$ 7,004,905,578	$ 6,901,130,881	$ 6,542,490,710	$ 6,252,360,385	$ 5,746,150,005	$ 5,149,258,197	$ 4,826,084,038	$ 4,512,760,079
Plan fiduciary net position										
Contributions - employer	$ 467,097,920	$ 399,209,599	$ 367,481,614	$ 368,422,961	$ 255,382,266	$ 249,684,038	$ 228,452,611	$ 154,101,396	$ 236,104,362	$ 107,334,399
Contributions - employee	52,456,647	53,030,821	52,268,136	54,414,653	46,622,658	45,894,781	47,364,276	48,959,929	46,552,247	48,056,393
Net investment income	129,523,957	(155,590,040)	129,513,641	105,366,987	161,082,443	(58,000,233)	140,569,856	60,881,106	7,595,562	30,867,889
Benefit payments	(416,179,406)	(398,049,793)	(385,067,130)	(362,831,685)	(342,884,926)	(320,595,085)	(302,518,486)	(283,085,767)	(274,459,754)	(261,571,672)
Refunds	(4,546,472)	(3,917,789)	(3,607,546)	(3,328,719)	(3,452,913)	(4,067,219)	(3,579,629)	(3,673,250)	(3,557,317)	(2,321,666)
Pension plan administrative expense	(3,583,521)	(3,390,041)	(3,082,062)	(2,991,289)	(3,225,938)	(3,285,110)	(3,171,986)	(3,216,823)	(3,149,549)	(3,069,192)
Other	7,031	5,150	4,788	12,757	506,886	5,853	22,879	(53,891)	7,141	7,393
Net change in plan fiduciary net position	224,776,156	(108,702,093)	157,511,441	159,065,665	114,030,476	(90,362,975)	107,139,521	(26,087,300)	9,092,692	(80,696,456)
Plan fiduciary net position										
Beginning of year	1,357,695,828	1,466,397,921	1,308,886,480	1,149,820,815	1,035,790,339	1,126,153,314	1,019,013,793	1,045,101,093	1,036,008,401	1,116,704,857
End of year	$ 1,582,471,984	$ 1,357,695,828	$ 1,466,397,921	$ 1,308,886,480	$ 1,149,820,815	$ 1,035,790,339	$ 1,126,153,314	$ 1,019,013,793	$ 1,045,101,093	$ 1,036,008,401
City's net pension liability	$ 5,736,278,208	$ 5,858,713,594	$ 5,538,507,657	$ 5,592,244,401	$ 5,392,669,895	$ 5,216,570,046	$ 4,619,996,691	$ 4,130,244,404	$ 3,780,982,945	$ 3,476,751,678
Plan fiduciary net position as a percentage of the total pension liability	21.62%	18.81%	20.93%	18.97%	17.57%	16.57%	19.60%	19.79%	21.66%	22.96%
Covered-employee payroll	$ 523,828,926	$ 525,479,549	$ 520,047,197	$ 500,367,870	$ 457,082,316	$ 456,969,301	$ 469,407,281	$ 478,470,944	$ 465,231,594	$ 460,189,982
Employer's net pension liability as a percentage of covered-employee payroll	1095.07%	1114.93%	1065.00%	1117.63%	1179.80%	1141.56%	984.22%	863.22%	812.71%	755.50%

Firemen's Annuity and Benefit Fund of Chicago

Required Supplementary Information - Pension

Schedule of City Contributions and Related Notes

Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 528,571,846	$ 509,936,459	$ 476,497,828	$ 466,556,303	$ 442,044,761	$ 412,220,284	$ 372,845,121	$ 333,952,291	$ 323,544,987	$ 304,265,411
Contributions in relation to the actuarially determined contribution	(467,097,920)	(399,209,599)	(367,481,614)	(368,422,961)	(255,382,266)	(249,684,038)	(228,452,611)	(154,101,396)	(236,104,362)	(107,334,399)
Contribution deficiency	$ 61,473,926	$ 110,726,860	$ 109,016,214	$ 98,133,342	$ 186,662,495	$ 162,536,246	$ 144,392,510	$ 179,850,895	$ 87,440,625	$ 196,931,012
Covered employee payroll	$ 523,828,926	$ 525,479,549	$ 520,047,197	$ 500,367,870	$ 457,082,316	$ 456,969,301	$ 469,407,281	$ 478,470,944	$ 465,231,594	$ 460,189,982
Contributions as a percentage of covered employee payroll	89.17%	75.97%	70.66%	73.63%	55.87%	54.64%	48.67%	32.21%	50.75%	23.32%

Notes to Schedule

Valuation Date:
Actuarially determined contribution amount is determined as of December 31, with appropriate interest to the end of the year.

Methods and assumptions used to establish "actuarially determined contribution" rates:

Actuarial cost method	Entry Age Actuarial cost method
Amortization method	30-year open, level dollar amortization
Asset valuation method	5-year smoothed fair value

Actuarial assumptions:

Investment rate of return	6.75%, net of investment expense
Projected salary increases	3.50% to 25.00%, varying by years of service
Mortality	Post-retirement mortality - PubS-2010 Retiree Amount-weighted Mortality Table, using 119% of rates for males and 100% of rates for females, projected generationally using scale MP-2021. Disabled mortality - PubS-2010 Disabled Retiree Amount-weighted Mortality Table, projected generationally using scale MP-2021. Beneficiary mortality - Pub-2010 Contingent Survivor Amount-weighted Mortality Table, using 100% of rates for males and 113% of rates for females, projected generationally using scale MP-2 Pre-retirement mortality - PubS-2010 Employee Amount-weighted Mortality Table, projected generationally using scale MP-2021.
Cost of living adjustments	Tier 1: 3% simple Tier 2: The lesser of 3% or one-half of the change in the Consumer Price Index.

Other assumptions:
Same as those used in the December 31, 2023 actuarial funding valuation.

Firemen's Annuity and Benefit Fund of Chicago

Required Supplementary Information - Pension

Schedule of Investment Returns

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	13.9%	-14.7%	14.2%	11.7%	20.4%	-6.6%	17.9%	7.5%	-0.1%	3.4%

REQUIRED SUPPLEMENTARY INFORMATION - HEALTH INSURANCE SUPPLEMENT

Firemen's Annuity and Benefit Fund of Chicago

Required Supplementary Information - Health Insurance Supplement

Schedule of Changes in the City's Net Health Insurance Supplement Liability and Related Ratios

	2023	2022	2021	2020	2019
Total health insurance supplement liability					
Service cost	$ 104,639	$ 168,461	$ 187,889	$ 161,182	$ 129,709
Interest	300,579	185,376	185,051	266,380	350,846
Difference between expected and actual experience	606,790	761,207	909,364	(1,403,312)	89,281
Assumption changes	366,244	(1,283,254)	(233,476)	906,200	1,362,123
Benefit payments	(723,080)	(650,401)	(868,386)	(1,032,062)	(565,425)
Net change in total health insurance supplement liability	655,172	(818,611)	180,442	(1,101,612)	1,366,534
Total health insurance supplement liability					
Beginning of year	8,336,979	9,155,590	8,975,148	10,076,760	8,710,226
End of year	$ 8,992,151	$ 8,336,979	$ 9,155,590	$ 8,975,148	$ 10,076,760
Plan fiduciary net position					
Contributions - employer	$ 723,080	$ 650,401	$ 868,386	$ 1,032,062	$ 565,425
Benefit payments	(723,080)	(650,401)	(868,386)	(1,032,062)	(565,425)
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position					
Beginning of year	-	-	-	-	-
End of year	$ -	$ -	$ -	$ -	$ -
City's net health insurance supplement liability	$ 8,992,151	$ 8,336,979	$ 9,155,590	$ 8,975,148	$ 10,076,760
Plan fiduciary net position as a percentage of the total health insurance supplement liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	$172,561,410	$192,319,657	$208,128,910	$219,890,380	$220,401,135
Employer's net health insurance supplement liability as a percentage of covered-employee payroll	5.21%	4.33%	4.40%	4.08%	4.57%

Note: This schedule is intended to show information for ten years.
The additional years' information will be displayed as it becomes available.
There are currently no assets accumulated in a trust that meets the criteria of GASB codifications P22.101 or P52.101 to pay related benefits for the health insurance supplement plan.

Firemen's Annuity and Benefit Fund of Chicago

Required Supplementary Information - Health Insurance Supplement

Schedule of City Contributions and Related Notes

Last Ten Fiscal Years

	2023	2022	2021	2020	2019
Actuarially determined contribution	$ 723,080	$ 650,401	$ 868,386	$ 1,032,062	$ 565,425
Contributions in relation to the actuarially determined	(723,080)	(650,401)	(868,386)	(1,032,062)	(565,425)
Contribution deficiency	$ -	$ -	$ -	$ -	$ -
Covered employee payroll	$172,561,410	$192,319,657	$208,128,910	$219,890,380	$220,401,135
Contributions as a percentage of covered employee payroll	0.42%	0.34%	0.42%	0.47%	0.26%

Notes to Schedule

Valuation Date:
December 31, 2022

Actuarial cost method	Entry Age Normal Cost
Amortization method	30-year open, level dollar amortization
Actuarial assumptions:	
Discount rate	3.26%
Election percentage	20% of pre-Medicare eligible retirees and 60% of post-Medicare eligible retirees are assumed to receive the subsidy.
Mortality	Post-retirement mortality - PubS-2010 Retiree Amount-weighted Mortality Table, using 119% of rates for males and 100% of rates for females, projected generationally using scale MP-2021.
	Beneficiary mortality - Pub-2010 Contingent Survivor Amount-weighted Mortality Table, using 100% of rates for males and 113% of rates for females, projected generationally using scale MP-2021.
	Disabled mortality - PubS-2010 Disabled Retiree Amount-weighted Mortality Table, projected generationally using scale MP-2021.
	Pre-retirement mortality - PubS-2010 Employee Amount-weighted Mortality Table, projected generationally using scale MP-2021.

Note: This schedule is intended to show information for ten years.
The additional years' information will be displayed as it becomes available.

SUPPLEMENTARY INFORMATION

Firemen's Annuity and Benefit Fund of Chicago

Supplementary Information

Schedules of Administrative Expenses

Years Ended December 31, 2023 and 2022

	2023	2022
Administrative expenses		
Employee benefits	$ 432,787	$ 395,416
Equipment and maintenance	119,768	120,994
General and administrative	186,995	202,113
Insurance and surety bond	186,361	180,166
Office salaries	1,640,076	1,534,882
Printing and postage	70,625	37,040
Professional and consulting fees		
Actuarial	78,470	76,120
Audit	67,950	50,000
Consulting	69,627	39,419
Legal	243,491	329,135
Medical	220,322	170,976
Payroll administration	3,257	2,204
Rent	263,792	251,576
Total administrative expenses	$ 3,583,521	$ 3,390,041

Firemen's Annuity and Benefit Fund of Chicago

Supplementary Information

Schedules of Investment Expenses

Years Ended December 31, 2023 and 2022

	2023	2022
Investment manager fees		
Adams Street Partners	$ 302,390	$ 305,538
Apollo Global Real Estate Management, LP	-	1,194
Brandes Investment Partners, L.P.	389,881	334,808
Brown Advisory	250,214	227,661
Brown Capital Management	281,029	269,820
CBRE Investment Management	290,533	362,528
Earnest Partners, LLC	181,365	162,027
Garcia Hamilton & Associates, L.P.	19,818	15,618
GlobeFlex Capital, L.P.	197,734	194,141
Highclere International Investors LLP	265,521	249,191
IFM Investors	29,505	-
Jackson Square Partners	182,021	187,917
JP Morgan Asset Management	51,980	42,553
Keeley Teton Advisors LLC	85,901	164,953
Kennedy Capital Management	245,442	200,693
Logan Capital Management, Inc.	191,435	185,511
Loomis, Sayles & Company, L.P.	232,622	231,923
LSV Asset Management	518,863	481,914
Mesirow Institutional Investment Management, Inc.	69,953	-
Neuberger Berman, LLC	329,218	313,769
Newton Investment Management	209,421	196,595
Pacific Investment Management Company, LLC	132,406	150,102
Pomona Capital	166,876	179,799
Principal Global Investors	288,234	314,123
RhumbLine Advisers, Corp.	22,945	22,207
Ullico Investment Advisors, Inc.	5,019	-
Western Asset Management Company	158,548	163,273
William Blair & Company, LLC	351,988	417,137
	5,450,862	5,374,995
Other trading expenses and investment fees	3,804,794	2,462,481
Investment consulting fees		
Callan LLC	277,044	268,975
Investment custodian fees		
Northern Trust	80,500	80,500
Total investment expenses	$ 9,613,200	$ 8,186,951

Additions by Source

Year Ended December 31,	Employer Contributions	Plan Member Contributions	Net Investment and Net Securities Lending Income (Loss)	Other	Total Additions
2014	$ 109,805,454	$ 48,056,393	$ 30,863,888	$ 11,394	$ 188,737,129
2015	$ 238,485,820	$ 46,552,247	$ (346,886)	$ 7,949,589	$ 292,640,770
2016	$ 156,158,391	$ 48,959,929	$ 55,362,185	$ 5,525,415	$ 266,005,920
2017	$ 228,452,611	$ 47,364,276	$ 140,507,402	$ 85,333	$ 416,409,622
2018	$ 249,684,038	$ 45,894,781	$ (58,048,526)	$ 54,146	$ 237,584,439
2019	$ 255,947,691	$ 46,622,658	$ 161,032,664	$ 556,665	$ 464,159,678
2020	$ 369,455,023	$ 54,414,653	$ 105,329,745	$ 49,999	$ 529,249,420
2021	$ 368,350,000	$ 52,268,136	$ 129,510,718	$ 7,711	$ 550,136,565
2022	$ 399,860,000	$ 53,030,821	$ (155,590,513)	$ 5,623	$ 297,305,931
2023	$ 467,821,000	$ 52,456,647	$ 129,399,484	$ 131,504	$ 649,808,635

Deductions by Type

Year Ended December 31,	Benefits	Administrative Expenses	Annuitant Health Care	Other	Total Deductions
2014	$ 261,571,672	$ 3,066,946	$ 2,471,055	$ 2,323,912	$ 269,433,585
2015	$ 274,459,754	$ 3,149,549	$ 2,381,458	$ 3,557,317	$ 283,548,078
2016	$ 283,085,767	$ 3,216,823	$ 2,056,995	$ 3,733,635	$ 292,093,220
2017	$ 302,518,486	$ 3,171,986	$ -	$ 3,579,629	$ 309,270,101
2018	$ 320,595,085	$ 3,285,110	$ -	$ 4,067,219	$ 327,947,414
2019	$ 342,884,926	$ 3,225,938	$ 565,425	$ 3,452,913	$ 350,129,202
2020	$ 362,831,685	$ 2,892,186	$ 1,032,062	$ 3,427,822	$ 370,183,755
2021	$ 385,067,130	$ 3,082,062	$ 868,386	$ 3,607,546	$ 392,625,124
2022	$ 398,049,793	$ 3,390,041	$ 650,401	$ 3,917,789	$ 406,008,024
2023	$ 416,179,406	$ 3,583,521	$ 723,080	$ 4,546,472	$ 425,032,479